



# ***CITY COUNCIL AGENDA REPORT***

MEETING DATE: DECEMBER 2, 2008

ITEM NUMBER: **VII-14**

**SUBJECT:** COSTA MESA REDEVELOPMENT AGENCY'S 2008 ANNUAL REPORT

**DATE:** NOVEMBER 19, 2008

**FROM:** FINANCE DEPARTMENT/ MARC R. PUCKETT, DIRECTOR

**PRESENTATION BY:** FINANCE DEPARTMENT/ MARC R. PUCKETT, DIRECTOR

**FOR FURTHER INFORMATION CONTACT:** BOBBY YOUNG, BUDGET AND RESEARCH OFFICER  
714-754-5241

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## **RECOMMENDATION:**

Receive and file Costa Mesa Redevelopment Agency's 2008 Annual Report.

## **BACKGROUND:**

Pursuant to Health and Safety Code Section 33080.1 "Every redevelopment agency shall present an annual report to its legislative body within six months of the end of the agency's fiscal year." The annual report shall contain; 1) an independent financial audit report for the previous fiscal year; 2) a fiscal statement for the previous fiscal year; 3) a description of the agency's activities in the previous fiscal year affecting housing and displacement; 4) a description of the agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year; 5) a list and status of all loans made by the redevelopment agency that are fifty thousand (\$50,000) or more, that in the previous fiscal year were in default; 6) a description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year; and, 7) any other information that the agency believes useful to explain its programs.

## **ANALYSIS:**

To comply with these requirements, the following documents are attached:

- 1) Agency's Annual Financial Report as of June 30, 2008.
- 2) Agency's Financial Transactions Report as of June 30, 2008
- 3) A description of the agency's activities in the previous fiscal year affecting housing and displacement

Triangle Square, a commercial redevelopment project developed in the 1980's which suffered from a lack of balance in the tenant mix, declining sales tax and an increase in vacancy rates was sold to Greenlaw Partners in December 2006. Since then, Greenlaw Partners has been working on improving the tenant mix of the center, while also working on plans for façade renovations.

The Pacifica Newport Plaza Residences located at 1901 Newport Boulevard last year completed the 5-story parking structure as a part of its first phase of the project. During this reporting period, Rutter Development began the next phase of the project with the installation of their temporary sales trailer, installation of utilities and construction of the first 32 residential condominiums. The parking structure constructed earlier will service the Plaza Residences and the adjoining commercial uses.

New residential development and ownership opportunities continue to be available through the Urban Master Plan areas. These plans were formulated to help promote economic viability, to encourage owner-occupied housing, to help provide new types of urban housing such as live/work units, conversion of industrial uses into artist lofts, to encourage developers and property owners to construct vertical, horizontal, or commercial/residential mixed-use developments, and to stimulate and revitalize the 19 West commercial area. Several mixed-use projects have been submitted to planning and are in various stages of the development/entitlement process. Projects such as these should help to alleviate blight by bringing vitality to the Westside.

On June 5, 2008 St. John's Manor, located at 2031 Orange Avenue, celebrated its grand reopening. It was an "at-risk" residential senior project, which included the rehabilitation of 36 senior affordable housing units. The work included various life-safety and cosmetic improvements including a fire sprinkler system; stucco color coating to the building's exterior; refurbishing the lobby area with removal of certain interior columns for improved handicap and wheelchair access; retrofitting the handicapped units; and interior painting, window replacement and the provision of new appliances to each unit. This project included the temporary relocation of tenants off-site, until all improvements were completed. Affordability covenants have been placed on this project to preserve the units at an affordable rate to seniors for the next 55 years.

The Redevelopment Agency does not have any loans that are fifty thousand dollars (\$50,000) or more, or any amount, that were in default during the previous fiscal year. Also, the Redevelopment Agency does not own nor did it acquire any property in the previous fiscal year.

It was noted on page 34 of the Basic Financial Statements that the Low and Moderate Income Housing Fund had excess expenditures over appropriations. This was because of payments made for St. John's Manor and available funds were from prior years appropriations.

The attached documents fully satisfy the aforementioned Health and Safety Code requirements. These documents may be acted upon by the City Council on a "receive and file basis".

#### **ALTERNATIVES CONSIDERED:**

None.

#### **FISCAL REVIEW:**

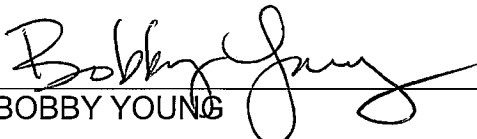
Fiscal review is not required for this item.

## LEGAL REVIEW:


Legal review is not required for this item.

## CONCLUSION:

Transmittal of the attached documents to the City Council (Legislative Body for the Redevelopment Agency) is required pursuant to the Health and Safety Code. This requirement may be satisfied by acting upon the recommended motion on a "receive and file" basis. Staff will then submit the report to the State Controller as prescribed under Health and Safety Code 33080.

  
BOBBY YOUNG  
Budget and Research Officer

  
MARC R. PUCKETT  
Director of Finance

  
DONALD D. LAMM  
Agency Executive Director

  
MURIEL ULLMAN  
Neighborhood Improvement Manager

ATTACHMENTS:   1   Basic Financial Statements, Year Ended June 30, 2008  
                      2   Agency's Financial Transaction Report as of June 30, 2008  
                      3   Description of Agency's Activities for Fiscal Year 2007-2008  
                              Appendix 1 – List of all deposits to Low-Mod Housing Fund for  
  Fiscal Year 2007-2008  
                              Appendix 2 – List of all withdrawals from Low-Mod Housing  
  Fund for Fiscal Year 2007-2008